

STATE OF NORTH DAKOTA
BEFORE THE COMMISSIONER OF INSURANCE

In the Matter of

**McLean McHenry Mutual Insurance
Company,
FEIN 45-0304580,**

Respondent.

CONSENT ORDER

Commissioner of Insurance Jim Poolman (hereinafter "Commissioner") has determined as follows:

1. The Commissioner has authority in this matter pursuant to N.D. Cent. Code Title 26.1 and N.D. Cent. Code § 28-32-05.1.
2. McLean McHenry Mutual Insurance Company, FEIN 45-0304580 (hereinafter "Respondent"), is a county mutual insurance company licensed in North Dakota.
3. The Commissioner has jurisdiction over Respondent and the subject matter of this Consent Order and this Order is made in the public interest.
4. According to information received by the Department, during the time period of July 27, 1998, to present, Respondent allowed unappointed agents to engage in the business of selling policies to North Dakota residents without the required appointments. Respondent's conduct of accepting and processing applications received in the course of its business from unappointed agents and paying these agents, either directly or indirectly, commission, brokerage, or other valuable consideration for their services as insurance agents constitutes violations of N.D. Cent. Code §§ 26.1-26-04 and 26.1-26-13.

5. Respondent may be subjected to an administrative penalty pursuant to N.D. Cent. Code § 26.1-26-50.

6. Respondent has agreed to an informal disposition of this matter, without a hearing, as provided under N.D. Cent. Code § 28-32-05.1.

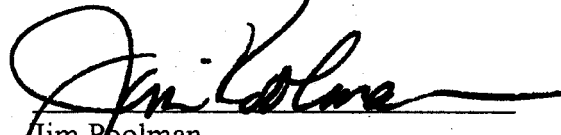
7. For purposes of resolving this matter, without further administrative proceedings, Respondent and the Commissioner have agreed to enter into the following Order:

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent is assessed a fine in the amount of \$500 which shall be paid within 15 days of the execution of this Order.

2. The use of this Consent Order for competitive purposes by an insurance agent or agency holding a license in the State of North Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority.

DATED at Bismarck, North Dakota, this 21st day of May, 2001.


Jim Poolman
Commissioner of Insurance
State of North Dakota

CONSENT TO ENTRY OF ORDER

The undersigned, Douglas R Hanson, on behalf of McLean McHenry Mutual Insurance Company, states that he/she has read the foregoing Consent Order, that he/she knows and fully understands its contents and effect; that he/she has been advised of his/her right to be represented by legal counsel, his/her right to a hearing in this matter, his/her

right to present evidence and arguments to the Commissioner, and his/her right to appeal from an adverse determination after hearing; and that by the signing of this Consent to Entry of Order he/she waives those rights in their entirety, and consents to entry of this Order by the Commissioner of Insurance. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

DATED this 17th day of May, 2001.

McLean McHenry Mutual Insurance Company

By:

Douglas R. Hansen

Name

Sec- Treasurer

Title

Subscribed and sworn to before me this 17th day of May, 2001.

Marilyn Schon
Notary Public

My commission expires:

MARILYN SCHON
Notary Public, STATE OF NORTH DAKOTA
My Commission Expires AUG. 13, 2004